



BOSTON WOMEN'S FUND, INC.

Financial Statements

June 30, 2017



Boston Women's Fund

Take A Stand: Breaking Barriers. Building Justice.

Kevin P. Martin & Associates, P.C.

BOSTON WOMEN'S FUND, INC.

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June 30, 2017

Independent Accountants' Review Report

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Independent Accountants' Review Report

To the Board of Directors of
Boston Women's Fund, Inc.
Boston, Massachusetts

We have reviewed the accompanying financial statements of Boston Women's Fund, Inc. (a nonprofit organization) (the Organization) which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements for the year ended June 30, 2017, were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated July 19, 2017. The prior year summarized comparative information has been derived from the Organization's 2016 financial statements. The prior year comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Nevin P. Martini & Associates, P.C.

June 4, 2018

BOSTON WOMEN'S FUND, INC.

Statement of Financial Position

As of June 30, 2017

With Comparative Totals as of June 30, 2016

Assets	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 108,179	\$ 63,649
Accounts receivable	10,500	-
Prepaid expenses	<u>3,717</u>	<u>-</u>
Total current assets	<u>122,396</u>	<u>63,649</u>
Fixed Assets		
Equipment	19,135	19,135
Less: accumulated depreciation	<u>(18,525)</u>	<u>(18,118)</u>
Total net fixed assets	<u>610</u>	<u>1,017</u>
Other Assets		
Investments	1,757,914	1,683,896
Cash held for others - assets	16,056	-
Deposits	<u>3,717</u>	<u>3,717</u>
Total other assets	<u>1,777,687</u>	<u>1,687,613</u>
Total Assets	<u>\$ 1,900,693</u>	<u>\$ 1,752,279</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 10,460	\$ 17,570
Cash held for others - liabilities	<u>16,056</u>	<u>-</u>
Total current liabilities	<u>26,516</u>	<u>17,570</u>
Total liabilities	<u>26,516</u>	<u>17,570</u>
Net Assets		
Unrestricted	385,343	319,893
Temporarily restricted	319,443	245,425
Permanently restricted	<u>1,169,391</u>	<u>1,169,391</u>
Total net assets	<u>1,874,177</u>	<u>1,734,709</u>
Total Liabilities and Net Assets	<u>\$ 1,900,693</u>	<u>\$ 1,752,279</u>

See accompanying notes and independent accountants' review report.

BOSTON WOMEN'S FUND, INC.

Statement of Activities

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Revenue and Support					
Grants and contributions	\$ 185,633	\$ 19,552	\$ -	\$ 205,185	\$ 178,144
Investment income, net	-	157,658	-	157,658	66,121
In-kind contributions	12,000	-	-	12,000	-
Fiscal sponsorship service fees	10,500	-	-	10,500	-
Released from restrictions	103,192	(103,192)	-	-	-
Total revenue and support	<u>311,325</u>	<u>74,018</u>	<u>-</u>	<u>385,343</u>	<u>244,265</u>
Expenses					
Program services	111,622	-	-	111,622	53,330
General and administrative	76,426	-	-	76,426	126,902
Fundraising	57,827	-	-	57,827	54,652
Total expenses	<u>245,875</u>	<u>-</u>	<u>-</u>	<u>245,875</u>	<u>234,884</u>
Change in Net Assets	65,450	74,018	-	139,468	9,381
Net Assets at Beginning of Year	<u>319,893</u>	<u>245,425</u>	<u>1,169,391</u>	<u>1,734,709</u>	<u>1,725,328</u>
Net Assets at End of Year	<u>\$ 385,343</u>	<u>\$ 319,443</u>	<u>\$ 1,169,391</u>	<u>\$ 1,874,177</u>	<u>\$ 1,734,709</u>

See accompanying notes and independent accountants' review report.

BOSTON WOMEN'S FUND, INC.

Statement of Cash Flows

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

Cash Flows from Operating Activities	<u>2017</u>	<u>2016</u>
Change in net assets	\$ 139,468	\$ 9,381
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Investment income, net	(157,658)	3,879
Donation of investments	(19,552)	(4,971)
Depreciation	407	203
Decrease (increase) in assets:		
Accounts receivable	(10,500)	-
Prepaid expenses	(3,717)	9,126
Cash held for others - assets	(16,056)	-
Deposits	-	2,489
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(7,110)	11,216
Cash held for others - liabilities	16,056	-
Net Cash (Used in) Provided by Operating Activities	<u>(58,662)</u>	<u>31,323</u>
Cash Flows from Investing Activities		
Purchase of equipment	-	(1,220)
Proceeds from investments	103,192	471,436
Purchase of investments	-	(528,425)
Net Cash Provided by (Used in) Investing Activities	<u>103,192</u>	<u>(58,209)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,530	(26,886)
Cash and Cash Equivalents - Beginning of year	<u>63,649</u>	<u>90,535</u>
Cash and Cash Equivalents - End of year	<u>\$ 108,179</u>	<u>\$ 63,649</u>

See accompanying notes and independent accountants' review report.

BOSTON WOMEN'S FUND, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Salaries	\$ 34,418	\$ 25,592	\$ 28,240	\$ 88,250	\$ 80,682
Payroll taxes	2,776	2,065	2,278	7,119	8,535
Fringe benefits	167	125	137	429	1,258
Subtotal	<u>37,361</u>	<u>27,782</u>	<u>30,655</u>	<u>95,798</u>	<u>90,475</u>
Accounting	-	13,340	-	13,340	11,922
Advertising	59	-	-	59	-
Bank and credit card charges	-	1,351	-	1,351	513
Board expenses	1,085	1,696	-	2,781	2,956
Consultants	3,673	2,731	3,014	9,418	34,698
Dues and fees	-	-	-	-	1,087
Depreciation	-	407	-	407	203
Equipment rental	2,758	2,050	2,263	7,071	7,830
Grants	40,000	-	-	40,000	-
Insurance	2,035	1,513	1,669	5,217	7,501
Miscellaneous	-	2,000	-	2,000	4,000
Payroll service	1,260	937	1,034	3,231	2,934
Postage	902	670	740	2,312	2,442
Printing	2,401	1,786	1,970	6,157	5,334
Professional fees	-	5,225	-	5,225	7,794
Rent	16,107	11,977	13,216	41,300	41,137
Staff development	195	145	160	500	-
Subscriptions and publications	944	702	774	2,420	1,545
Supplies	503	375	413	1,291	4,881
Telephone	1,038	772	852	2,662	4,243
Travel	12	9	10	31	360
Utilities	1,289	958	1,057	3,304	3,029
	<u>\$ 111,622</u>	<u>\$ 76,426</u>	<u>\$ 57,827</u>	<u>\$ 245,875</u>	<u>\$ 234,884</u>

See accompanying notes and independent accountants' review report.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Boston Women's Fund, Inc. (the Organization) are described below to enhance the usefulness of the financial statements to the reader.

(a) *Nature of Activities*

The Organization was organized in the Commonwealth of Massachusetts as a non-profit corporation in 1983. The mission of the Organization is to support community-based organizations and grassroots initiatives run by women and girls in order to create a society based on racial, economic and social justice. The Organization works with seven constituencies of women: low-income women, women of color, immigrant women, LGBTQ community, women with disabilities, elder women and girls who are creating a society based on racial, economic and social justice. The Organization raises money from a broad base of donors across economic backgrounds, to provide grants and develop programs that strengthen the grassroots initiatives and community leadership of women and girls.

The primary program services of the Organization are as follows:

Grantmaking - The Organization provides grants, support and assistance to grassroots women's and girl's projects working for racial, economic, and social justice. The Organization supports work on critical issues such as ending racial and gender discrimination, welfare reform, health care, violence prevention, reproductive freedom, homelessness, workplace equity, and economic development. All grantmaking funds are distributed during the summer cycle. During the year ended June 30, 2017, the Organization distributed grantmaking funds in the amount of \$40,000.

Education - The Organization provides education to members of the philanthropy community about the importance of funding gender specific programming, particularly racial, economic and social justice activism.

(b) *Basis of Presentation*

The statement of activities reports all changes in net assets, including changes in unrestricted net assets from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts. Investment income and realized and unrealized gains and losses on investments are reported as operating revenue because such assets are managed for current operations and long-term stabilization of the Organization's activities.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(c) *Standards of Accounting and Reporting*

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents three classes of net assets (unrestricted, temporarily restricted and permanently restricted) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Unrestricted - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.

Temporarily Restricted - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted - Permanently restricted net assets reflect the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

(d) *Cash and Cash Equivalents*

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash balances at financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC). The Organization also maintains one cash account with an investment brokerage firm and the cash account is insured by the Securities Investor Protection Corporation (SIPC). At times these balances may exceed the insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2017.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(e) Investments

The Organization carries investments in marketable securities at fair value which is determined by quoted market prices. Changes in fair value are reflected in the statement of activities as gains or losses on investments. Investments are exposed to risks such as interest rate, credit and overall market volatility.

(f) Revenue Recognition

The Organization earns revenue as follows:

Grants and Contributions - Grants and contributions are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Service Fees - Service fee revenue is earned and recognized by the Organization when services are provided.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2017, the Organization derived approximately 58% of its total revenue from individual and foundation contributions, and 42% from investment gains and losses. All revenue is recorded at the estimated net realizable amounts.

(g) Fixed Assets

Fixed assets are recorded at cost, or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Equipment	3 years
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Equipment is reviewed for impairment if the use of the asset significantly changes or another indicator or possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(h) Fair Value Measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

Level 1: Quoted prices for identical instruments traded in active markets.

Level 2: Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

Recurring Measurements

In accordance with U.S. GAAP, certain assets and liabilities are required to be recorded at fair value on a recurring basis. The Organization's assets that are adjusted to fair value on a recurring basis are investments in equity and debt securities. The Organization currently has no liabilities that are adjusted to fair value on a recurring basis.

The following tables summarize assets measured at fair value on a recurring basis as of June 30, 2017.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ <u>1,757,914</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,757,914</u>
	\$ <u><u>1,757,914</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,757,914</u></u>

The Organization's policy is to recognize transfers in and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the year ended June 30, 2017.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(h) Fair Value Measurements - continued

All investments are classified as long-term based on the intended use by the Board of Directors. Investments were comprised of the following as of June 30, 2017:

Equities:	
Technology	\$ 247,111
Services	186,105
Foreign	152,407
Industrial goods	122,371
Healthcare	107,364
Consumer goods	56,136
Utilities	48,352
Financial	41,350
Basic materials	<u>19,883</u>
Total equities	981,079
U.S. government securities	474,988
Corporate bonds	178,308
Money market funds	112,905
Municipal bonds	<u>10,634</u>
Total investments	\$ <u>1,757,914</u>

Nonrecurring Measurements

The Organization had no assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2017.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(i) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time studies. Occupancy costs are allocated based upon associated allocations of salary which approximates usage.

(j) Use of Estimates

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Income Taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC.

(l) Summarized Financial Information for 2016

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

BOSTON WOMEN’S FUND, INC.

Notes to Financial Statements

June 30, 2017

(1) Summary of Significant Accounting Policies - continued

(m) Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

(2) Investments

Investment returns consisted of the following for the year ended June 30, 2017:

Interest and dividends	\$	26,286
Net realized and unrealized gains		142,867
Investment advisory fees		<u>(11,495)</u>
Total gain on investments	\$	<u>157,658</u>

Investments consist of equities, government securities, corporate bonds, money market funds and municipal bonds (see Note 1(h)) traded on open markets. As of June 30, 2017, the investments held by the Organization were substantially invested in domestic securities with a small portion diversified in international securities.

(3) Cash Held for Others

During the year ended June 30, 2017, the Organization entered into a nonbinding agreement to act as the Fiscal Sponsor for The Boston Girls’ Empowerment Network (BGEN), a citywide network established to increase collaboration opportunities for women and girls in the Boston area. The Organization receives charitable contributions and provide administrative and payroll services for BGEN. During the year ended June 30, 2017, the Organization collected \$74,296 and made disbursements of \$58,240 for BGEN related funds and expenses. As of June 30, 2017, the balance related to BGEN held by the Organization amounted to \$16,056. The Organization earned fiscal sponsorship fees for the year ended June 30, 2017 in connection with these services provided amounted to \$10,500 and the entire balance is outstanding as of June 30, 2017.

BOSTON WOMEN’S FUND, INC.

Notes to Financial Statements

June 30, 2017

(4) Operating Lease Commitments

The Organization occupies office space on a tenant-at-will basis. The client incurs monthly rent of \$3,442. Rent expense was \$41,300 for the year ended June 30, 2017.

(5) Restricted Net Assets

(a) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2017, temporarily restricted net assets are restricted for the following purposes:

The “BWF Challenge Fund” contains a provision that up to 5% of the Fund value may be withdrawn for specific initiatives approved by the Board of Directors. To ensure continuation of this fund, any withdrawals made under this provision cannot exceed 5% over a five year period. The “2000 Club” fund contains a provision that up to 6% of the challenge fund may be withdrawn for specific initiatives approved by the Board of Directors.

The accumulated earnings of the funds within temporarily restricted net assets as of June 30, 2017 are as follows:

2000 Club accumulated earnings	\$ 103,453
BWF Challenge Fund accumulated earnings	<u>215,990</u>
Total temporary restricted net assets	\$ <u>319,443</u>

(b) Permanently Restricted Net Assets

Permanently restricted net assets represent donations to the 2000 Club. Contributions made to the 2000 Club are permanently restricted by donors to provide a continuous source of unrestricted income. The principal is permanently restricted while the earnings are used for operations, including grant making. In order to access fund appreciation for operations and grant making, up to 5% of the 2000 Club value may be withdrawn annually. As of June 30, 2017, permanently restricted net assets were \$1,169,391.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(6) Endowment

The Organization accepts endowment gifts under the stipulation that the funds are invested in perpetuity. Unless otherwise restricted by the donor, the investment income is to be used in accordance with the Organization's endowment spending policy. The goals of the endowment fund are to enhance existing programs, create new programs, make additional funding opportunities for donors and support capital improvements. The Organization's Executive Board (the Board) oversees the establishment and revision of goals, spending plans and asset allocations for endowments.

The Organization's endowment consists of various grants established for donor-restricted endowment funds to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Uniform Prudent Management of Institutional Funds Act

The Organization's management and investment of donor-restricted endowment funds are subject to the provisions of the Uniform Management of Institutional Funds Act (UMIFA). In 2006, the Uniform Law Commission approved the model act, Uniform Prudent Management of Institutional Funds Act (UPMIFA), which serves as a guideline to states to use enacting legislation. UPMIFA was adopted by the Commonwealth of Massachusetts effective June 30, 2009. Among UPMIFA's most significant changes is the elimination of UMIFA's important concept of historic dollar value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending.

The Board has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Further, per the interpretation, the UPMIFA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(6) Endowment - continued

(b) Appropriation of Endowment Assets for Expenditure

The Organization considers the following factors in making a determination to appropriate endowment funds for expenditure:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) The investment policies of the Organization

(c) Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that invest in a thoughtful and prudent manner to preserve and/or enhance the Organization's ability to help provide for the future benefit of scouting in the territory covered by the Organization. The oversight of the endowment funds is the responsibility of the Trust Advisory Committee, a committee of the Organization's Executive Board. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Executive Board, the endowment assets are invested in a manner that is intended to preserve the endowment funds' principal, considering inflation and to regulate the long term ability and short term needs to distribute income.

(d) Strategies Employed for Achieving Investment Objectives

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation by investing a prudently determinable portion (currently 56%) of the endowment funds in equity investments (to produce long-term appreciation) and a portion (currently 44%) to fixed income investments (to produce a consistent level of income and reduce overall volatility). Guidelines have been set forth in the policy for prudent investment options.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(6) Endowment - continued

(e) Spending Policy and Investment Objectives

The Organization records the annual investment return as unrestricted net assets as defined by the stipulations of endowment and is included in the endowment fund. The Organization has a policy of appropriating for distribution from the unrestricted net assets, in the endowment fund, an amount not to exceed the realized return over a three year rolling period of time less the rate of inflation. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investments.

(f) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies may result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions.

Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets. There were no such deficiencies as of June 30, 2017.

(g) Composition of Endowment Funds

The endowment fund is solely comprised of donor-restricted contributions. There are no board-designated endowment funds.

(7) Concentration of Credit Risk

The Organization investments have a fair value at June 30, 2017 that make up 93% of its total assets. The fair value of these investments is not insured and is subject to market fluctuations. The investments are monitored by the Board of Directors and 3rd party investment advisors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization. The investments are managed and held by a SIPC member brokerage firm. SIPC coverage includes a maximum limit per customer of \$250,000 of cash holdings and \$500,000 securities holdings due to loss by actions of the brokerage firm.

BOSTON WOMEN'S FUND, INC.

Notes to Financial Statements

June 30, 2017

(8) Employee Benefits

The Organization offers participation in a 401(k) retirement plan to eligible employees. Employees must be at least 21 years old and have completed one year of service to participate. The Organization did not make contributions into the plan during the year ended June 30, 2017.

(9) Contributed Services

Contributed services for the year ended June 30, 2017 was \$12,000 and consisted of accounting services.

(10) Subsequent Events

The Organization has performed an evaluation of subsequent events through June 4, 2018, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2017 that required recognition or disclosure in these financial statements.